



Legislation Text

File #: ORD. 2019-198, **Version:** 1

To amend City Code § 26-582, concerning the eligibility of residential real property for the partial tax exemption from real property taxation, for the purpose of changing the requirement that eligible properties must have been vacant for at least two years to a requirement that eligible properties must not have had a building situated on such properties for at least two years.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 26-582 of the Code of the City of Richmond (2015) be and is hereby **amended** and reordained as follows:

Sec. 26-582. Eligibility of residential real property; annual renewal application.

(a) In order to qualify for the partial exemption from real property taxation for real property constructed for residential use, throughout the exemption period established by section 26-584(a), (1) the new structure must be (i) an owner occupied dwelling used as a single-family residential structure, (ii) rental property used as a single-family dwelling with a fully executed lease agreement containing a rent to buy option, (iii) a structure used as commercial space only on the street level and residential space, a minimum of 30 percent of which provides housing restricted to individuals or families making up to 60 percent of the area median income for the Richmond-Petersburg Metropolitan Statistical Area with a maximum rent, calculated annually, no greater than 30 percent of the income of any such individual or family, on the upper remaining levels or (iv) a multifamily dwelling, a minimum of 30 percent of which provides housing restricted to individuals or families making up to 60 percent of the area median income for the Richmond-Petersburg Metropolitan Statistical Area with a maximum rent, calculated annually, no greater than 30 percent of the income of any such individual or family; and (2) the other improvement, if any, must be designed for the accessory use of such new structure; improvements such as garages, swimming pools, patios and similar

facilities that are not used as living areas for the structure shall not be eligible for this exemption. Any portion of the structure that is commercial space, including, but not limited to, the commercial space identified in numeral (iii) above, shall not be eligible for the exemption. Any residential space identified in numeral (iii) above or multifamily dwelling identified in numeral (iv) above that does not meet the minimum percentage set forth in numerals (iii) or (iv) above, that exceeds the maximum rent set forth in numerals (iii) or (iv) above or that does not have the dwelling units in such residential space or the dwelling units in such multifamily dwelling interspersed among dwelling units offered for rent to individuals or families making more than 60 percent of the area median income for the Richmond-Petersburg Metropolitan Statistical Area shall not be eligible for this exemption. In addition, the new structure and other improvement, if any, must be built on a lot [~~that has been vacant~~] on which no building, as determined by the Department of Planning and Development Review, has been situated for at least two years prior to the date upon which an application for the partial tax exemption established by this division is filed. However, a new structure or other improvement built on a lot [~~that has become vacant~~] on which no building, as determined by the Department of Planning and Development Review, is situated as a result of the demolition of a structure or other improvement at the expense of the City shall be exempted from the requirement that such lot [~~be vacant~~] not have a building, as determined by the Department of Planning and Development Review, situated upon it for at least two years prior to the date upon which an application for the partial tax exemption established by this division is filed.

(b) In order for the partial exemption for a property to continue in effect, such property shall be maintained in compliance with the provisions of the Virginia Uniform Statewide Building Code. If, after receiving notice of a violation of this section, the owner of the property fails or refuses to complete the necessary corrections within the time required for such action, or refuses city inspectors or city appraisers access to such property for the purpose of determining continued eligibility under this section, then such eligibility shall terminate.

(c) The new structure and other improvements, if any, must be completed within two years after the date the building permit applied for in accordance with this division has been issued.

(d) The new structure and other improvements, if any, must be in conformity with the general character and quality of the existing structures in the surrounding community, as determined by the City Assessor.

(e) In order for a partial exemption granted for a rental property used as a single-family dwelling with a fully executed lease agreement containing a rent to buy option to remain in effect, the property must be purchased within the first three years of the exemption by an individual who will occupy the property. If a rental property used as a single-family dwelling with a fully executed lease agreement containing a rent to buy option is not purchased within the first three years of the exemption by an individual who will occupy the property, the partial exemption for the property will terminate after the third year. It shall be the responsibility of the purchaser to provide proof of the closing date and the purchaser's ownership to the City Assessor so that the Assessor can note the continuation of the partial exemption on the land book. Absent any evidence submitted by a purchaser showing that a rental property used as a single-family dwelling with a fully executed lease agreement containing a rent to buy option has been purchased within the first three years of the exemption by an individual that will occupy the property, the City Assessor shall remove the partial exemption from the land book after the third year.

(f) In order to retain the partial exemption for which this division provides, each owner of real property which has qualified for partial exemption of real estate taxes under this division shall file a renewal application with the City Assessor on forms to be prescribed by the City Assessor, and any other documentation as may be required by the City Assessor, by no later than January 1 of each year of the exemption period until such partial exemption expires or is otherwise terminated for failure to comply with the requirements of this division or other applicable law. The partial exemption for which this division provides shall terminate if any owner of real property fails to comply with the requirements of this subsection. In the case of any such termination of the partial exemption for which this division provides, the partial exemption for the tax year in which the date upon which the renewal application is due falls and for all subsequent tax years remaining in the exemption period for such real property shall be forfeited and the credit for the tax year in which the date upon which the renewal

application is due falls and for all subsequent tax years remaining in the exemption period shall be canceled and shall be of no effect.

§ 2. This ordinance shall be in force and effect upon adoption.